"would expect a price of $37 per share."

52. On August 16, 2016, Forsyth met with "representatives of an investment bank with whom Chemtura had a relationship" who indicated that Party I may have an interest in an all-stock acquisition of Chemtura.

53. On August 24, 2016, Chemtura executed a confidentiality agreement with Party I. The Proxy Statement fails to disclose whether the confidentiality agreement contained standstill and/or DADW provisions.

54. On August 30, 2016, senior management of Chemtura and Party I met in person to discuss a potential transaction.

55. On September 13, 2016, Rogerson and Zachert spoke by telephone to discuss the potential transaction.

56. On September 21, 2016, the Board determined to continue to pursue a transaction only with Lanxess.

57. Four days later, the Board approved the Proposed Transaction, and parties executed the Merger Agreement.

The Preclusive Merger Agreement

58. The Individual Defendants have all but ensured that another entity will not emerge with a competing proposal by agreeing to a "no solicitation" provision in the Merger Agreement that prohibits the Individual Defendants from soliciting alternative proposals and severely constrains their ability to communicate and negotiate with potential buyers who wish to submit or have submitted unsolicited alternative proposals. Section 6.04(a) of the Merger Agreement states:

> (a) Subject to Section 6.04(b) and Section 6.04(c), from the date hereof until the Effective Time or, if earlier, the termination of this Agreement in accordance with

Article 10, the Company shall not, shall cause its Subsidiaries not to, shall use its reasonable best efforts to cause, and shall instruct, its and their respective directors, officers, employees, Affiliates, investment bankers, attorneys, accountants and other advisors or representatives (collectively, "Representatives") not to, and shall not authorize its or their Representatives to, directly or indirectly, (i) solicit, initiate or take any action to knowingly facilitate or encourage the submission of any Acquisition Proposal, (ii) enter into or participate in any discussions or negotiations with, furnish any information relating to the Company or any of its Subsidiaries or afford access to the business, properties, assets, books or records of the Company or any of its Subsidiaries to, otherwise knowingly cooperate in any way with any Third Party that may reasonably be expected to make, or has made, an Acquisition Proposal, (iii) withhold, qualify, change, fail to make (including any failure to reaffirm within five Business Days of a request from Parent following the making of a public acquisition proposal or any publicly disclosed change to the material terms thereof), withdraw or modify in a manner adverse to Parent the Company Board Recommendation (or recommend an Acquisition Proposal) (any of the foregoing in this clause (iii), an "Adverse Recommendation Change"), (iv) enter into any agreement in principle, letter of intent, term sheet, merger agreement, acquisition agreement, option agreement or other similar instrument relating to an Acquisition Proposal (other than, to facilitate the sharing of information permitted by Section 6.04(b), an Acceptable Confidentiality Agreement) or (v) publicly propose to do any of the foregoing. The Company shall not release or waive any "standstill" provision or agreement to which it is a party; provided, that, if the Company is in compliance with this Section 6.04, the Company may release or waive any "standstill" provision or agreement to which it is a party for a Third Party who has indicated to the Company its desire to make an unsolicited non-public bona fide Acquisition Proposal to the Company that the Board of Directors of the Company reasonably believes may lead to a Superior Proposal but which Third Party is unable to do so because of such "standstill" provision or agreement, solely to the extent necessary to permit the counterparty to such "standstill" provision or agreement to make an unsolicited non-public Acquisition Proposal to the Company, if, prior to such release or waiver, the Company's Board of Directors determines in good faith after consultation with its outside legal counsel that failure to take such action would reasonably be expected to violate the directors' fiduciary duties under Applicable Law; provided, further, that the Company shall advise Parent orally and in writing no later than 24 hours after any such release or waiver and the Company shall promptly provide such release or waiver. Subject to Section 6.04(b) and Section 6.04(c) on the date hereof, the Company shall, and shall cause any of its Subsidiaries and its and their Representatives to cease immediately and cause to be terminated any and all existing activities, discussions or negotiations, if any, with any Third Party and its Representatives and financing sources conducted prior to the date hereof with respect to any Acquisition Proposal. Promptly (but in any event within two Business Days) after the date hereof, the Company shall, and shall cause its Subsidiaries and its and their respective Representatives to request the prompt return or destruction of all confidential

> information previously furnished in connection therewith and immediately terminate all physical and electronic "data room" access previously granted to any such Person or its Representatives.

59. Further, the Company must advise Lanxess, within twenty-four hours, of any proposals or inquiries received from other parties. Section 6.04(d) of the Merger Agreement states, in relevant part:

> [A]fter the date hereof and prior to obtaining the Company Stockholder Approval, the Company shall notify Parent promptly (and, in any event, within 24 hours) after (i) receipt by the Company (or any of its Representatives) of any Acquisition Proposal or any request for information relating to the Company or any of its Subsidiaries or for access to the business, properties, assets, books or records of the Company or any of its Subsidiaries by any Third Party that is considering making, or has made, an Acquisition Proposal, which notice shall include the material terms and conditions of any such Acquisition Proposal, indication or request (including if the Acquisition Proposal is in writing by providing copies of any material amendments or other material documents thereto) and (ii) any material change (including any change as to price) in a previously notified Acquisition Proposal. The Company hereby agrees that after the date hereof it shall not, and shall not permit its Subsidiaries to, enter into any agreement that prohibits or restricts it from providing to Parent the information contemplated by this Section 6.04(d) or complying with Section 6.04(e).

60. Moreover, the Merger Agreement contains a highly restrictive "fiduciary out" provision permitting the Board to withdraw its approval of the Proposed Transaction under extremely limited circumstances, and grants Lanxess a "matching right" with respect to any "Superior Proposal" made to the Company. Section 6.04(e) of the Merger Agreement provides:

> (e) Notwithstanding anything to the contrary set forth in this Agreement, but subject to compliance with clause (a) of this Section 6.04, prior to, but not after, the time the Company Stockholder Approval is obtained, the Company's Board of Directors may make an Adverse Recommendation Change that is the result of a Superior Proposal or an Intervening Event, if the Company's Board of Directors determines in good faith, after consultation with its outside legal counsel, that failure to do so would reasonably be expected to violate the directors' fiduciary duties under Applicable Law and, in the event of such an Adverse Recommendation Change that is a result of a Superior Proposal, the Company's Board of Directors may also take action pursuant to Section 10.01(d)(i) of this Agreement in connection with accepting a Superior Proposal as contemplated herein; provided, that prior to any Adverse Recommendation Change or action

pursuant to Section 10.01(d)(i) of this Agreement:

(i) the Company shall have provided prior written notice to Parent and Merger Subsidiary, at least four Business Days in advance of its intention to effect a Adverse Recommendation Change or to take action pursuant to Section 10.01(d)(i), which notice, if the intended Adverse Recommendation Change is not the result of a Superior Proposal, shall specify in reasonable detail the reasons for such Adverse Recommendation Change (including a reasonably detailed description of the Intervening Event) and, if concerning an intended Adverse Recommendation Change that is the result of a Superior Proposal, shall specify the identity of the party making such Superior Proposal and the material terms thereof;

(ii) after providing such notice and prior to effecting such Adverse Recommendation Change or taking such action pursuant to Section 10.01(d)(i), the Company shall, and shall cause its Representatives to, negotiate with Parent and Merger Subsidiary in good faith (if and to the extent Parent and Merger Subsidiary indicate to the Company their desire to negotiate) to make such adjustments in the terms and conditions of this Agreement as would permit the Company not to effect a Adverse Recommendation Change or take such action pursuant to Section 10.01(d)(i) in response to such a Superior Proposal; and

(iii) the Company's Board of Directors shall have considered in good faith any changes to this Agreement offered in writing by Parent (and not revoked) during or prior to such four Business Day period and (x) if the intended Adverse Recommendation Change or the action pursuant to Section 10.01(d)(i) is the result of a Superior Proposal, shall have determined in good faith after consultation with its outside financial advisors and outside legal counsel that the Superior Proposal would continue to constitute a Superior Proposal if such changes were to be given effect and that failure to effect a Adverse Recommendation Change or take the action pursuant to Section 10.01(d)(i) would reasonably be expected to violate the directors' fiduciary duties under Applicable Law, as the case may be, and (y) if the intended Adverse Recommendation Change is the result of an Intervening Event and not the result of a Superior Proposal, shall have determined in good faith after consultation with its outside financial advisor and outside legal counsel that failure to effect a Adverse Recommendation Change would reasonably be expected to violate the directors' fiduciary duties under Applicable Law if such changes were to be given effect;

provided, that, if the intended Adverse Recommendation Change is the result of a Superior Proposal or in the case of an action pursuant to Section 10.01(d)(i), in the event of any material revision to such Superior Proposal, including any revision to price, the Company shall be required to deliver a new written notice to Parent and Merger Subsidiary and to comply with the requirements of this Section 6.04(e) with respect to such new written notice; provided that in connection with each new notice contemplated by this section, each reference to the four Business

> Day period in this Section 6.04(e) shall be deemed to be a three Business Day period. For the avoidance of doubt, all information provided to Parent pursuant to this Section 6.04 shall be subject to the Confidentiality Agreement. Notwithstanding anything to the contrary herein, at any time prior to the time the Company Stockholder Approval is obtained, the Company's Board of Directors may make an Adverse Recommendation Change, otherwise in compliance with this Section 6.04(e), only in response to (A) the Company receiving an unsolicited, bona fide written Acquisition Proposal that constitutes a Superior Proposal and not involving a material and willful breach of this Section 6.04(e) of this Agreement or (B) an Intervening Event.

61. Further locking up control of the Company in favor of Lanxess, the Merger Agreement provides for a "termination fee" of $75 million, payable by the Company to Lanxess if the Individual Defendants cause the Company to terminate the Merger Agreement.

62. By agreeing to all of the deal protection devices, the Individual Defendants have locked up the Proposed Transaction and have precluded other bidders from making successful competing offers for the Company.

Inadequate Merger Consideration and Interests of the Company's Officers and Directors

63. The consideration to be paid to plaintiff and the Class in the Proposed Transaction is inadequate.

64. Among other things, the intrinsic value of the Company is materially in excess of the amount offered in the Proposed Transaction.

65. The financial analyses performed by the Company's own financial advisor, Morgan Stanley & Co. LLC ("Morgan Stanley"), confirm the inadequacy of the merger consideration. For example, Morgan Stanley's *Discounted Cash Flow Analysis* yielded an implied valuation per Company share as high as $36.00, which is significantly higher than the $33.50 per share merger consideration.

66. Accordingly, the Proposed Transaction will deny Class members their right to share proportionately and equitably in the true value of the Company's valuable and profitable

business, and future growth in profits and earnings.

67. Meanwhile, certain of the Company's officers and directors stand to receive substantial benefits as a result of the Proposed Transaction.

68. For example, Individual Defendant Rogerson stands to receive $20,353,216 in golden parachute compensation in connection with the Proposed Transaction. Forsyth stands to receive $5,031,580, and the Company's other six executive officers stand to receive over $16.35 million.

The Proxy Statement Omits Material Information, Rendering It False and Misleading

69. Defendants filed the Proxy Statement with the SEC in connection with the Proposed Transaction.

70. The Proxy Statement omits material information with respect to the Proposed Transaction, which renders the Proxy Statement false and misleading.

71. First, the Proxy Statement omits material information regarding the financial analyses performed by Morgan Stanley in support of its so-called fairness opinion.

72. For example, with respect to Morgan Stanley's *Discounted Cash Flow Analysis*, the Proxy Statement fails to disclose: (i) Chemtura's projected unlevered free cash flows; (ii) the calculated terminal values for Chemtura; (iii) Pension Adjusted EBITDA; (iv) taxes and/or earnings before tax; and (v) changes in net working capital. Moreover, the Proxy Statement fails to disclose Morgan Stanley's basis for ignoring the effects of Chemtura's net operating losses in the calculation of the unlevered free cash flows, given that the Company had accumulated approximately $274 million of net operating loss carryforwards by the end of 2015.

73. With respect to Morgan Stanley's *Discounted Equity Value Analysis*, the Proxy Statement fails to disclose estimates of Chemtura's total debt (including underfunded pension

and OPEB liability), non-controlling interest, and cash and cash equivalents, based on the consolidated balance sheet of Chemtura as of December 31, 2016 and December 31, 2017, as used by Morgan Stanley as part of this analysis. Additionally, the Proxy Statement fails to disclose the specific forecasted amounts of Pension Adjusted EBITDA for Chemtura, on which the value conclusions from this analysis were based.

74. With respect to Morgan Stanley's *Hypothetical Leveraged Buyout Analysis*, the Proxy Statement fails to disclose the specific debt financing and transactions expenses assumed as part of this analysis, as well as the specific projection of EBITDA (both description and amount) to which the selected multiples were applied. Moreover, the Proxy Statement fails to disclose the applicability of this analysis in determining the fairness of the Proposed Transaction, which does not involve a leveraged buyout involving a financial sponsor.

75. With respect to Morgan Stanley's *Selected Comparable Trading Analysis*, the Proxy Statement fails to disclose any financial, operating or other metrics and ratios used by Morgan Stanley as part of its benchmarking process to compare Chemtura to the selected comparable companies and thus determine the appropriate EBITDA multiples to apply as part of this analysis. Additionally, the Proxy Statement fails to disclose the specific forecasted amounts of Pension Adjusted EBITDA for Chemtura, on which the value conclusions from this analysis were based.

76. With respect to Morgan Stanley's *Precedent Transactions Analysis*, the Proxy Statement fails to disclose any financial, operating or other metrics and ratios used by Morgan Stanley as part of its benchmarking process to compare the proposed Chemtura transaction to the selected comparable transactions and thus determine the appropriate multiples to apply. Moreover, the Proxy Statement fails to disclose the reasons AV/LTM EBITDA multiples were

not selected and applied with resulting indications of value, despite the fact that they were observed as part of the underlying dataset, similar to the observed premiums.

77. When a banker's endorsement of the fairness of a transaction is touted to shareholders, the valuation methods used to arrive at that opinion as well as the key inputs and range of ultimate values generated by those analyses must also be fairly disclosed. Moreover, the disclosure of projected financial information is material because it provides stockholders with a basis to project the future financial performance of a company, and allows stockholders to better understand the financial analyses performed by the company's financial advisor in support of its fairness opinion.

78. The omission of this material information renders the Proxy Statement false and misleading, including, *inter alia*, the following sections of the Proxy Statement: (i) "Opinion of Chemtura's Financial Advisor"; (ii) "Certain Financial Projections"; (iii) "Chemtura's Reasons for the Merger"; (iv) "Recommendation of the Chemtura Board of Directors"; and (v) "Background of the Merger."

79. Second, the Proxy Statement omits material information regarding the background of the Proposed Transaction. The Company's stockholders are entitled to an accurate description of the "process" the directors used in coming to their decision to support the Proposed Transaction.

80. For example, the Proxy Statement fails to disclose the terms and values of all indications of interest and proposals submitted by the various bidders.

81. The Proxy Statement also fails to disclose whether any of the confidentiality agreements entered into by Chemtura and the various bidders contained standstill and/or DADW

provisions that prevented or are preventing bidders from submitting topping bids to acquire the Company or requesting a waiver of standstill provisions.

82. The omission of this material information renders the Proxy Statement false and misleading, including, *inter alia*, the following sections of the Proxy Statement: (i) "Background of the Merger"; (ii) "Chemtura's Reasons for the Merger"; and (iii) "Recommendation of the Chemtura Board of Directors."

83. Third, the Proxy Statement omits material information regarding potential conflicts of interest of the Company's officers and directors.

84. Specifically, the Proxy Statement fails to disclose the timing and nature of all communications regarding future employment and/or directorship of Chemtura's officers and directors, including who participated in all such communications.

85. Communications regarding post-transaction employment during the negotiation of the underlying transaction must be disclosed to stockholders. This information is necessary for stockholders to understand potential conflicts of interest of management and the Board, as that information provides illumination concerning motivations that would prevent fiduciaries from acting solely in the best interests of the Company's stockholders.

86. The omission of this material information renders the Proxy Statement false and misleading, including, *inter alia*, the following sections of the Proxy Statement: (i) "Background of the Merger"; (ii) "Chemtura's Reasons for the Merger"; (iii) "Recommendation of the Chemtura Board of Directors"; and (iv) "Interests of Chemtura's Directors and Executive Officers in the Merger."

87. Fourth, the Proxy Statement omits material information regarding potential conflicts of interest of Morgan Stanley.

88. Specifically, while the Proxy Statement states that "Morgan Stanley or an affiliate thereof currently is a lender to Chemtura," the Proxy Statement fails to disclose any details with respect thereto, including the amount of fees or compensation received or to be received by Morgan Stanley in connection with serving as a lender to the Company.

89. Full disclosure of investment banker compensation and all potential conflicts is required due to the central role played by investment banks in the evaluation, exploration, selection, and implementation of strategic alternatives.

90. The omission of this material information renders the Proxy Statement false and misleading, including, *inter alia*, the following sections of the Proxy Statement: (i) "Opinion of Chemtura's Financial Advisor"; (ii) "Chemtura's Reasons for the Merger"; (iii) "Recommendation of the Chemtura Board of Directors"; and (iv) "Background of the Merger."

91. The above-referenced omitted information, if disclosed, would significantly alter the total mix of information available to Chemtura's stockholders.

COUNT I

Claim for Violation of Section 14(a) of the 1934 Act and Rule 14a-9 Promulgated Thereunder Against the Individual Defendants and Chemtura

92. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

93. The Individual Defendants disseminated the false and misleading Proxy Statement, which contained statements that, in violation of Section 14(a) of the 1934 Act and Rule 14a-9, in light of the circumstances under which they were made, omitted to state material facts necessary to make the statements therein not materially false or misleading. Chemtura is liable as the issuer of these statements.

94. The Proxy Statement was prepared, reviewed, and/or disseminated by the Individual Defendants. By virtue of their positions within the Company, the Individual

Defendants were aware of this information and their duty to disclose this information in the Proxy Statement.

95. The Individual Defendants were at least negligent in filing the Proxy Statement with these materially false and misleading statements.

96. The omissions and false and misleading statements in the Proxy Statement are material in that a reasonable stockholder will consider them important in deciding how to vote on the Proposed Transaction. In addition, a reasonable investor will view a full and accurate disclosure as significantly altering the total mix of information made available in the Proxy Statement and in other information reasonably available to stockholders.

97. The Proxy Statement is an essential link in causing plaintiff and the Company's stockholders to approve the Proposed Transaction.

98. By reason of the foregoing, defendants violated Section 14(a) of the 1934 Act and Rule 14a-9 promulgated thereunder.

99. Because of the false and misleading statements in the Proxy Statement, plaintiff and the Class are threatened with irreparable harm.

COUNT II

Claim for Violation of Section 20(a) of the 1934 Act Against the Individual Defendants and Lanxess

100. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

101. The Individual Defendants and Lanxess acted as controlling persons of Chemtura within the meaning of Section 20(a) of the 1934 Act as alleged herein. By virtue of their positions as officers and/or directors of Chemtura and participation in and/or awareness of the Company's operations and/or intimate knowledge of the false statements contained in the Proxy Statement, they had the power to influence and control and did influence and control, directly or